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Chairman: Mr. Lelong ..... (Haiti)

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The meeting was called to order at 10.10 a.m.

Statement by the Chairman

1. **The Chairman** thanked the members of the Committee for the confidence they had shown him in electing him Chairman, and said that he would need their full support in order to accomplish his task.

Election of the Bureau

2. *Mr. Abdalla (Sudan), Mr. Hetesy (Hungary) and Mr. Marschik (Austria) were elected Vice-Chairmen by acclamation.*

3. *Mr. Al-Naman (Saudi Arabia) was elected Rapporteur by acclamation.*

Organization of work (A/C.6/56/L.1)

4. **The Chairman**, referring to the note by the Secretariat on the organization of work of the Committee (A/C.6/56/L.1), said that, as a consequence of cost-saving and other measures mandated by the General Assembly, the Committee would have an average of nine meetings per week. The work programme proposed in section 3 of the document was subject to review and would be applied with flexibility in the light of the progress made in the work of the Committee. He then turned to the proposed timetable, which was the outcome of informal consultations convened by the Legal Counsel.

5. Agenda item 166 (Measures to eliminate international terrorism) had received solemn and poignant attention in the General Assembly in the previous week; at the conclusion of the plenary debate, the President of the Assembly had requested the Sixth Committee to expedite its work on the item and submit its report to the Assembly as early as possible, preferably by 15 November 2001. He intended to consult with the Bureau on the way in which the item could be taken up expeditiously.

6. He underscored the need for more efficient use of the time, conference resources and facilities made available to the Committee. With regard to time, he referred to paragraph 65 of annex V of the Rules of Procedure of the General Assembly. With regard to resources and facilities, he said that at the previous session, as at the one before that, the utilization of conference resources by the Committee had been below the 80 per cent benchmark established by the Committee on Conferences, owing to time lost as a result of late starting and early adjournment of meetings. He emphasized the need for new efforts in that regard.

7. As to the dates set aside for the general debate, he said that it might be useful to use any time left over during the earlier part of the session to advance the discussion of items planned for the week of the general debate, such as those relating to observer status in the General Assembly. He also drew attention to section IV of the note by the Secretariat concerning the Working Group: pursuant to General Assembly resolution 55/158, the work of the Ad Hoc Committee established pursuant to resolution 51/210 would continue during the fifty-sixth session in the framework of a working group of the Sixth Committee. It was his understanding that the Committee wished to elect Mr. Rohan Perera (Sri Lanka) as Chairman of that Working Group; pursuant to paragraph 9 of General Assembly resolution 51/210, the Ad Hoc Committee was open to all States Members of the United Nations or members of specialized agencies. If he heard no objections, he would take it that the Committee wished to apply that formula to the Working Group.

8. *It was so decided.*

Agenda item 161: Report of the United Nations Commission on International Trade Law on the work of its thirty-fourth session (A/56/17 and A/56/315)

9. **Mr. Ogarrio Ramírez-España** (Mexico), speaking as Chairman of the United Nations Commission on International Trade Law (UNCITRAL), said that, during its most recent session, the Commission, which had always distinguished itself by its intense and productive work, had completed the draft Convention on assignment of receivables in international trade and on the draft UNCITRAL Model Law on Electronic Signatures and the draft Guide to its enactment. The former text, once adopted as a convention, would promote the availability of credit at more affordable rates by reducing risk, which was directly linked to cost-reduction and an increase in the amount of credit available. By way of example, article 9 established that an assignment of future receivables and of receivables that were not identified individually would be effective from the time the assignment was made. That forward-looking provision would enable businesses in developing countries to obtain credit by offering their future income as security, and it would

also benefit developed countries, because in some of them future income could not be used as security for credit.

10. The Convention on the assignment of receivables would be another instrument geared to economic and social development, the reduction of poverty and, ultimately, the promotion of peace and stability in all countries and in international relations. The Commission was satisfied that the draft Convention had received sufficient consideration and had reached the level of maturity for it to be generally acceptable to States. He therefore recommended that its opinion should be taken into account and that the General Assembly would finally adopt the draft Convention, without reconsidering the substance of its provisions.

11. On the question of electronic signatures, he said that the increased use of electronic authentification techniques as substitutes for hand-written signatures and other traditional authentification procedures had emphasized the need for a legal framework to reduce uncertainty as to the legal effects of such techniques. Five years earlier, UNCITRAL had adopted the Model Law on Electronic Commerce, an instrument which had placed the Commission at the forefront of developments in the field of electronic commerce. On the basis of article 7 of the Model Law, UNCITRAL had drafted the Model Law on Electronic Signatures to assist States in establishing a modern, harmonized and fair legislative framework to address more effectively issues related to electronic signatures.

12. The new Model Law offered practical standards against which the technical reliability of electronic signatures could be measured and provided a linkage between such technical reliability and the legal effectiveness that could be expected from a given electronic signature. The Model Law was intended to foster the understanding of electronic signatures and the confidence that certain electronic signature techniques could be relied upon, from a legal point of view, in significant transactions. Moreover, by establishing with appropriate flexibility and technological neutrality a set of basic rules of conduct for the various parties involved in the use of electronic signatures, the Model Law could assist in shaping more harmonious commercial practices in cyberspace.

13. Pursuant to the mandate received from the Commission at its thirty-third session, the Working Group on Insolvency Law was developing a comprehensive statement of key objectives for a strong debtor-creditor regime in insolvency cases, including aspects related to the procedure of restructuring insolvent companies out of court, and a legislative guide with flexible approaches to achieving those objectives.

14. The Commission had noted the progress made by the Working Group on the topics it had discussed, namely, the requirement of a written form for the arbitration agreement, issues relating to interim measures of protection, and the preparation of a model law on conciliation. The Commission had requested the Working Group to proceed as a matter of priority with the preparation of draft legislative provisions on conciliation, with a view to presenting a draft model law to the Commission for consideration and adoption at its thirty-fifth session in 2002. Conciliation was extremely useful in the settlement of commercial disputes and suitable legislation was needed to eliminate obstacles to its use.

15. With regard to electronic commerce, the two Model Laws adopted by UNCITRAL represented a significant contribution towards enhancing legal certainty in international trade. However, as electronic means of communication increasingly replaced paper documents, it was becoming more and more difficult to eliminate obstacles to electronic commerce and avoid disparities in the legal treatment of transactions conducted through electronic means.

16. At its most recent session, the Commission had decided that a Working Group should be entrusted with the preparation of an international instrument dealing with other issues related to electronic contracting. The Commission had also entrusted the Secretariat with the preparation of the necessary studies concerning three other topics: (a) a comprehensive survey of possible legal barriers to the development of electronic commerce in international instruments; (b) a further study of the issues related to transfer of rights, in particular, rights in tangible goods, by electronic means and mechanisms for publicizing and keeping a record of acts of transfer or the creation of security interests in such goods; and (c) a study on the UNCITRAL Model Law on International Commercial Arbitration, as well as the UNCITRAL Arbitration Rules, to assess their appropriateness for meeting the specific needs of online arbitration.

17. Despite the international efforts to harmonize and unify transport law, existing national laws and international conventions had left significant gaps regarding the functioning of bills of lading and seaway bills, the relation of those transport documents to the rights and obligations between the seller and the buyer of the goods and the legal position of the entities that provided financing to a party to the contract of carriage. Disparities between national legal provisions constituted an obstacle to the free flow of goods and increased the cost of transactions. The growing use of electronic means of communication further aggravated those weaknesses and created the need for uniform provisions. Against that background, the Commission had decided that a working group should consider issues for possible future work in the area of transport law, including issues of liability.

18. Another significant challenge that the Commission had decided to take up concerned security interests, which were an essential component of most lending and financing transactions. International experience had shown that modern secured credit laws could have a significant impact on the availability and cost of credit and thus on international trade. A modern regime in that area could also help to alleviate the inequalities in the access to lower-cost credit and in the share of developing countries in the benefits of international trade.

19. From 2 to 4 July 2001, the Secretariat had held a Colloquium on Privately Financed Infrastructure: Legal Framework and Technical Assistance, with the co-sponsorship and organizational assistance of the Public-Private Infrastructure Advisory Facility, a technical assistance facility aimed at helping developing countries to improve the quality of their infrastructure through private sector involvement. Various recommendations had been made at the Colloquium for dissemination of the UNCITRAL Legislative Guide on Privately Financed Infrastructure Projects, which had been adopted by the Commission at its thirty-third session. Mindful of the significant demand for model legislation providing for more specific guidance, especially in developing countries and in countries with economies in transition, the Commission had decided to entrust a working group with the task of drafting model provisions dealing with some of the substantive issues identified in the Guide.

20. The General Assembly had instructed the Commission to promote the progressive harmonization and unification of the law of international trade, inter alia, by promoting ways and means of ensuring a uniform interpretation and application of international conventions and uniform laws and by collecting and disseminating information on national legislation and modern developments, including case law, in the field of international trade. An important step in that direction had been the establishment of the CLOUT system in 1988. The Commission had decided to reconsider the question of how it should contribute to the uniform interpretation of the texts resulting from its work. Such reconsideration was timely, as evidenced by the fact that, since the establishment of the CLOUT system, 393 cases had been reported, including more than 250 on the United Nations Convention on Contracts for the International Sale of Goods. In the light of the fact that divergences in its interpretation had been noted, it had been repeatedly suggested by users of that material that appropriate advice and guidance would be useful to foster a more uniform interpretation of the Convention.

21. Following consideration of a sample analytical digest of court and arbitration cases on specific issues arising under the Convention, the Commission had requested the Secretariat to prepare a digest on the entire Convention as it considered that such a digest would be of particular value for countries that had no specific literature on the Convention. It was also noted that, as an UNCITRAL document, it would be widely distributed and would take a more international view than the majority of existing commentaries and papers.

22. At its previous session, the Commission had decided to recommend that the General Assembly should approve the enlargement of the Commission's membership, since it felt that such an enlargement would ensure the representation of all legal traditions and economic systems in view of the substantial increase in the membership of the Organization. In addition, the Commission would thereby be in a better position to implement its mandate as it would be able to draw on a pool of experts from an increased number of countries, thus enhancing the acceptability of its texts. The enlargement would also facilitate coordination with the work of other organizations active in the unification of private law to the extent that there would be a greater overlap between the membership of the Commission and the membership of those organizations.

23. The Commission was faced with an unprecedented increase in its workload. In general, the annual session of the Commission lasted two or three weeks (occasionally four) and its three working groups each had two annual sessions. It was clear, therefore, that, with only six annual sessions, it would be possible to devote only one annual session of a working group to each project. Consequently, the Commission had decided to arrange for two working groups to share the same two-week meeting period, one session being held in the first week and the other during the second week, in other words two sessions back-to-back. That made it necessary to revise a manner in which conference time was utilized and the way in which the reports of the working groups were prepared and adopted. In order to make the optimum use of conference facilities, the Commission had agreed that working groups would hold substantive deliberations during the first eight half-day meetings and that the Secretariat would prepare a draft report on the entire session for adoption at the 10th and last meeting of a working group. In order to make it possible for the working groups to adopt the entire report, the Commission had agreed that at the 10th meeting the Chairman would summarily read out the main conclusions reached by a working group at its 9th meeting for subsequent incorporation in the final report prepared by the Secretariat. It had also invited delegations to hold informal consultations prior to actual meetings, thus reserving conference time only for those issues that required extensive deliberations.

24. Those arrangements were essentially intended to allow the Commission to cope with the increased number of topics on which harmonization efforts had been called for by Member States, international organizations and the private sector. The Commission could not meet the demand for services without a commensurate upgrade in the secretariat resources available to it.

25. The tragic events of the previous month had prompted the United Nations as a whole and the Sixth Committee in particular to increase their efforts to combat terrorism in all its forms. It was, however, important not to lose sight of the many other important activities of that unique Organization or of the way in which it helped to establish healthier and friendlier relations among States.

26. The relationship between trade facilitation, the rule of law and international peace had not been forgotten by the Secretariat. In his statement at the opening of the thirty-fourth session of the Commission, the Under-Secretary-General for Legal Affairs and Legal Counsel of the United Nations, Mr. Hans Corell, had said, "Peace remains a distant dream, as long as there is no respect for the rule of law, both domestically and in international affairs. Fairness and impartiality are needed in all branches of the law, not only in constitutional, criminal or procedural law. A legal system is one unity, and commercial law is an essential part of it: it sets out the rules for the proper functioning of economic activities. And a healthy economic system, as we nowadays know, is one fundamental component of political and social stability. The same reasoning applies in the international arena. In order to grow, international trade and foreign investment require clear and predictable rules that are applied by as many countries as possible. Expanding trade and growing foreign investment, in turn, are the foundation of healthy economic relations between States and may go a long way to prevent conflicts or heal the wounds caused by them". The work of the International Law Commission and of the Sixth Committee had done much to foster friendly relations among nations and to lay the legal foundation for international peace and security.

27. By seeking to enlarge its membership, the Commission had endeavoured to ensure the active participation of a broader spectrum of countries and legal systems in the law-making process. By adjusting its working methods to accommodate a growing workload, it was making a contribution to the ongoing reform efforts of the Organization and demonstrating its commitment to make the best possible use of the resources available. However, enhanced efficiency in the Commission's work might not bear fruit if it was not accompanied by a significant — not merely marginal — strengthening of the Commission's secretariat, the International Trade Law Branch of the Office of Legal Affairs.

28. Despite the increase in its workload, the Commission's secretariat had the same number of officers as it had had over 30 years earlier. At that time, only one international instrument had been in preparation and no UNCITRAL instrument had entered into force. Currently, its secretariat was fully occupied with at least eight major projects (settlement of commercial disputes, insolvency law, electronic commerce, privately financed infrastructure projects, transport law, security interests, digest of United

Nations Sales Convention case law, and case law on UNCITRAL texts). Thus, the secretariat's workload was more than double that of the past and there was no more than one officer for each project; the situation had become untenable and, if not corrected, might seriously impair the Commission's work in the future.

29. The preparation of instruments was only one aspect of the problem; everyone knew that that work must be complemented by training, information and technical assistance activities, particularly for the benefit of developing countries and countries with economies in transition. However, even where technical assistance was not provided directly by the UNCITRAL secretariat, the success of the Commission's harmonization efforts depended on ensuring a high level of coordination between all agencies involved; that function could not be delegated to other organizations. There had been a continuous increase in the complexity of the coordinating task. There were five trade law conventions in force; five model laws were being implemented by an increasing number of countries; and another convention and another model law had recently been adopted. The number of requests for training and legislative assistance far exceeded what could be handled by fewer than 10 professional staff, who also had to handle other duties. The progressive harmonization and unification of law would not be a complete process if the adoption of international conventions and model laws by States was not adequately promoted or if those texts were not made known to their end-users. Unless that was done, the effort, time and money invested in their preparation by the international community would be wasted, and that must not be allowed to happen. He therefore hoped that, at a time when the United Nations was considering measures to improve efficiency, the Committee would echo the concerns of States members of UNCITRAL that the restraints it faced had reached an alarming level. In order for the reform to be meaningful, it could not be reduced to a mere "cut-down/cut-back" exercise; individual activities and programmes must be given the means and resources commensurate with their importance.

30. **Mr. Maquieira** (Chile), speaking on behalf of the Rio Group, said that the draft Convention on Assignment of Receivables in International Trade was a balanced text that would help to increase the supply of capital and credit at less burdensome rates of interest and help States to update and harmonize their legislation in that area. With regard to the Model Law on Electronic Signatures, the Rio Group was convinced that its adoption would help to guarantee judicial security for the automated processing of data in international trade. When including its provisions in their respective national legislations, States should take into account the need to ensure that its objectives were not undermined. With regard to future work in the field of electronic commerce, the Rio Group agreed that a broad approach must be adopted in dealing with the issues related to electronic transactions and care taken to avoid any interference in the regime established by the United Nations Convention on Contracts for the International Sale of Goods. It also supported the decision to elaborate a flexible legislative guide that was capable of harmonizing existing laws on insolvency while promoting commercial exchanges and agreed, in that regard, that it was essential to provide training for professionals and officials in the judicial branch in order to ensure the proper functioning of the regime. It was also following with great interest the Commission's work relating to the requirement of written form for the arbitration agreement, measures of protection and the preparation of a model law on conciliation. With regard to work on transport law, the items, including responsibility for ensuring that the provisions of other agreements were not prejudiced, required careful study. With regard to privately financed infrastructure projects, it was necessary that all of the complementary work should be done at a later stage, in order to facilitate evaluation of the practical usefulness of the Legislative Guide.

31. With regard to an increase in the number of Commission members, the Rio Group believed that any enlargement should guarantee that the Commission would continue to be representative of all juridical and economic regimes and systems, while maintaining its efficiency. The enlargement should be limited to 60 members, and the percentages of participation of the different regional groups should ideally have a structure similar to that of the Economic and Social Council. In order for the enlargement to translate into effective participation by all the members, it should be accompanied by the implementation of the provisions of paragraphs 7 to 10 of resolution 55/151, which drew attention to the need to grant travel assistance to the representatives of developing countries to enable them to attend meetings of the Commission and its working groups and the need to strengthen the Commission's training and technical assistance programmes,

particularly in those countries. With regard to the Commission's methods of work, the Rio Group valued the effort to resolve the difficulties caused by the increase in the volume of commercial exchanges between States but regretted that the consequent proliferation of working groups had limited the participation of members from developing countries. It therefore invited the Commission to try to schedule its calendar of meetings in such a way as to ensure progress in the consideration of topics taking into account the difficulties of participation by such members. Lastly, he reiterated the importance of the Commission's activities in the field of training and technical assistance, the key elements of which were the organization of seminars and symposia, expressed appreciation for the contributions made by various States to the programme of seminars and to the Trust Fund for travel assistance to developing countries that were members of the Commission and requested that the effort should be continued to provide the secretariat with more human and financial resources.

32. **Mr. Singh** (India) said that his delegation welcomed the adoption of the draft Convention on the Assignment of Receivables in International Trade, since the adoption of uniform rules in that area would increase certainty and transparency in the legal regime and promote the availability of capital and credit at affordable rates, thus facilitating the development of international trade. His delegation supported the recommendation that the General Assembly should adopt it as a convention. The Model Law on Electronic Signatures and the Guide to Enactment would assist States in promoting electronic commerce through the regulation of the use of modern authentication techniques and the harmonization of the laws on those matters. Electronic means of communication and storage and transmission of data were constantly increasing, and that law would thus be a useful supplement to the Model Law on Electronic Commerce adopted in 1996. India had recently promulgated an Information Technology Act (Act 21 of 2001), which was based on the model law on electronic commerce and would facilitate electronic commerce by making it possible to conclude contracts and create rights and obligations through the electronic medium. The Act also provided for the establishment of a regulatory regime to supervise the work of the certifying authorities issuing digital signature certificates and to prevent their possible misuse.

33. India was pleased to note that the Commission, when identifying issues for consideration in the areas of transport law, insolvency law, security interests and privately financed infrastructure projects, had taken into account the work being done by other concerned organizations, such as the International Maritime Committee (CMI), the International Monetary Fund, the World Bank, the Asian Development Bank, the International Federation of Insolvency Professionals (INSOL) and the International Bar Association. It also supported the Commission's recommendation that its membership should be increased from 36 to 72, while maintaining respect for the principle of equitable geographical distribution, since more States would be able to participate in its work and it would better reflect all legal and economic systems, which would enhance its efficiency. The work carried out by the Commission in the area of training and technical assistance was also important, as was the system for the collection and dissemination of case law on UNCITRAL texts (CLOUT), which was a most valuable instrument for trade law research and its uniform application and interpretation. In that regard and considering the importance of trade law unification for economic development, the extent to which the mandate and workload of the Commission had increased and the need to provide conference services to a larger number of working groups, in addition to the editing and publishing of the increasing case law, the secretariat should be provided with the necessary financial and human resources to continue its work.

34. **Ms. Miller** (Sweden), speaking on behalf of the Nordic countries, highlighted the fundamental importance of the Commission's role in drafting international trade laws, in view of the rapid globalization of the economic environment. The Nordic countries welcomed the completion of the draft Convention on Assignment of Receivables in International Trade and the draft UNCITRAL Model Law on Electronic Signatures, which together would serve to establish basic principles and facilitate the development of international trade. The increase in the membership of the Commission could stimulate interest in its work and ensure that the draft texts would be acceptable to all States. Pursuant to the report of the Secretary-General, the increase in the number of members from 36 to 72 would have no financial implications for the work of the Commission secretariat, nor diminish its effectiveness; the Nordic countries therefore supported the proposal, while

noting that the issue of financing the participation of members from developing countries remained to be resolved. With regard to the change in the Commission's working methods, it was essential to provide the UNCITRAL secretariat with adequate resources, as from then on it would need to handle six projects at the same time.

35. **Mr. Florent** (France) said it was regrettable that the draft Convention on Assignment of Receivables in International Trade did not pay special attention to bank branches; his delegation would support any initiative aimed at delinking the rules applicable to bank branches from those applicable to central banks, since the branch rules were largely subordinate to local legislation and had repercussions on the refinancing of central banks. Nevertheless, his Government would not oppose the adoption of the instrument by the General Assembly. With regard to the work programme of the Commission, the rules concerning the official and working languages of the United Nations must be observed; otherwise, the preparation, development and quality of the Commission's texts would be jeopardized, since many delegations would lack sufficient time to consider certain drafts and take a position on them. The lack of resources in the French Translation Service, combined with the change in 2001 in the timetable of the Working Group on insolvency law, whose session had practically coincided with that of the Commission, had led to delays in the issuance of preparatory documents in French, and could diminish the quality of the Commission's work. In that connection, the translators working on preparatory documents should be the ones participating in the drafting committee, so as to ensure the uniformity and quality of the documentation. With regard to the expansion of the Commission, France was in favour of maintaining a balance among the regional groups. With regard to future work, it would be helpful to establish certain priorities in order to avoid multiplying the number of working groups, which would have consequences for States and for the Secretariat, in terms of human and budgetary resources, and would create tensions.

36. **Mr. Su** Wei (China) said that the Commission's work programme and timetable should be organized more rationally. At the most recent session of the Commission there had been 23 items on the agenda; nevertheless, most of the time had been spent on the draft Convention on Assignment of Receivables in International Trade and the draft UNCITRAL Model Law on Electronic Signatures and draft Guide to Enactment, which had already been discussed a number of times and agreed on by UNCITRAL, thus leaving little time for other items on the agenda. China hoped that such problems could be avoided in the future.

37. Moreover, among the members of UNCITRAL, which included both developed and developing countries, there were great differences with regard to basic conditions and legislation; it was therefore necessary to strengthen the technical assistance and training provided to developing countries so as to enable them to participate effectively in the work of the Commission.

38. The conventions and model laws adopted under the auspices of UNCITRAL had played an outstanding role in international trade. Further efforts must be made to maximize that role. In that regard, it was important to ensure that those conventions and model laws were endorsed and accepted by more countries, an effort that required the collaboration of all States. It also required that the Commission, in elaborating legal instruments, should make more efforts to assimilate diverse views, take into account the circumstances of different countries and publicize and disseminate those instruments more widely. His Government believed that the work of UNCITRAL should continue to be supported by the General Assembly, which would enable it to make further progress in the fulfilment of its mandate.

39. **Mr. Vámos-Goldman** (Canada) said that his delegation had been very supportive of the Commission's work in preparing a Convention on the assignment of receivables in international trade and was very satisfied with the result. The Convention provided a set of rules that were fair and reasonable and that should enhance legal certainty in the field and contribute to the availability of lower-cost credit in international commerce. His delegation encouraged the General Assembly to adopt a resolution opening the Convention for signature without changes and to invite States to become parties to it.

40. Canada strongly supported the adoption of the Model Law on Electronic Signatures; it had already implemented some of its key elements. Electronic commerce legislation which had recently been adopted in Canada had provided a basis in law for the recognition of electronic signatures and the evaluation

of the degree of reliability of signature technologies. Moreover, it acknowledged the authority of Governments to specify a particular signature technology that was considered to comply with a specified level of reliability in fulfilling the legal requirements of signature. His delegation would encourage the General Assembly to adopt a resolution noting the achievement of the Commission in the Model Law and inviting States to adopt legislation based on it.

41. As for the Commission's current and future work in the areas of arbitration, electronic commerce, privately financed infrastructure projects, insolvency law, secured interests and transport law, his delegation considered that it would be of great value; it intended to continue its participation in those projects and encouraged other States to do so as well, in order to ensure that their needs and interests were reflected in the final products.

42. His delegation noted that the number of projects on which the Commission was working had significantly increased. Since that might well impose greater demands on the resources of the Secretariat, it invited States to support efforts to ensure that the Secretariat had adequate resources to respond to the programmes set by Member States.

43. The most important point to come out of the thirty-fourth session of UNCITRAL was the recommendation that the membership of the Commission should be enlarged; that was a recommendation which his delegation strongly supported. He noted that there were States that were not able to participate in the work of the Commission because it might be difficult to justify the expense entailed when they were not members. The participation of those States could make a valuable contribution to the work of the Commission, as it would ensure that a broader range of perspectives was taken into account in the development of UNCITRAL instruments and the States in question might adopt them more easily. A larger Commission would mean more opportunities for those States to be elected and, consequently, to be able to justify their attendance. The work of UNCITRAL would then be even more representative. His delegation considered that an increase in the membership would substantially assist the Commission in carrying out its mandate, give it greater visibility in the United Nations system and give a greater profile to its products. The increase would reduce the difference in size between the Commission and other United Nations and non-United Nations bodies in related fields, and facilitate coordination among them; reflect the increased importance of international trade law in the twenty-first century; and reflect the increased number of States Members of the United Nations since the previous increase in 1973. It would also permit the Commission to maintain its working methods, including the adoption of decisions by consensus. Taking all that into account, his delegation supported the Commission's recommendation that the number of members should be increased to 72. To the extent that the sessions of the Commission and the Working Group already accommodated far more than 36 States, the increase would not have any financial implications. His delegation also supported the recommendation that the current proportion between the regional groups should be maintained, and considered that, if the recommendation was accepted, it was important that it should be implemented as soon as possible. The members of the Commission were currently divided into one group of 19 and another group of 17, with elections held every three years. The next election, for the group of 19, would be held in 2004. In his delegation's opinion, the election of the new members should be held as soon as possible and in any event before the autumn of 2004. He also suggested that the new division of members should be such as to maintain the balance and overlap that existed between the two groups and their respective terms. He invited other States to support his proposal and said he looked forward to working with a greater number of them within the Commission.

The meeting rose at 12.10 p.m.